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C O N F I D E N T I A L BANGKOK 006369

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DEPARTMENT FOR EAP, PM
PACOM FOR PFA HUSO
OSD FOR STERN AND POWERS

E.O. 12958: DECL: 10/28/2016

TAGS: PGOV PREL MARR MASS TH

SUBJECT: THAILAND: POST SEEKS GUIDANCE ON MILITARY FMS
CASES AND VISITS

REF: SECSTATE 174287

Classified By: Ambassador Ralph L. Boyce. Reason 1.4 (a and d)

¶1. (C) Post appreciates policy guidance contained in Reftel regarding implementation of sanctions against the interim Thai government. Reftel instructions advise us that USG licensing and transfers of defense articles and services funded with national funds should be considered on a case-by-case basis. Six pending Foreign Military Sales (FMS) cases worth tens of millions of dollars require Washington approval to proceed. Reftel also instructs us to seek guidance for proposed visits by senior Thai military officials. We have been informed of a possible high-level visit by a senior Thai officer to the United States in December and a request from the Thai asking whether they can send Thai officers to Professional Military Education (PME) courses if they fund these themselves. Post seeks Washington guidance on how to proceed with these cases.

¶2. (SBU) We have a number of pending FMS cases with Thailand. The six cases outlined below have short suspense dates. Post seeks permission to proceed with the cases:

¶1A. FMS Case TH-B-WEZ (A2) funds a Field Service Representative (FSR) providing logistic support for Royal Thai Army (RTA) UH-60L Blackhawk helicopters at the RTA Aviation Center in Lopburi. The FSR contract is scheduled to expire in January, 2007. Absent USG agreement to extend this contract, Sikorsky will plan to redeploy its contractor thereby risking a lengthy service interruption in maintaining flight safety for these U.S.-supplied helicopters. Notably, these helicopters are currently being used to provide humanitarian assistance throughout Thailand in response to ongoing flooding.

Recommendation: Post recommends U.S. Army Security Assistance Command (USASAC) be authorized to fully implement this case.

¶1B. FMS Case TH-P-SCN is a 60 million USD case involving the purchase by the Royal Thai Navy (RTN) of two MH-60S Naval Knight Hawk helicopters. The case is on hold by the U.S. Navy's International Programs Office (USN IPO) and the Letter of Offer and Acceptance (LOA) has not been released. The RTN must submit a USG approved LOA to the Thai Cabinet by the end of October 2006 to secure program funding. Failure to secure that funding could result in the loss of this sale.

Recommendation: Post recommends USN IPO be authorized to release the LOA to the RTN so that this sale can proceed.

1C. FMS Case TH-P-LDP is a five million USD case involving phased depot maintenance for RTN P-3 patrol aircraft. This case is also on hold by USN IPO. A RTN P-3 aircraft is scheduled to depart Thailand on November 24 for maintenance at a Lockheed Martin facility in South Carolina. Should the aircraft miss the November 24 date, Lockheed Martin will be unable to service the aircraft until FY08. Equipment to support the ferry of the aircraft to the United States and the maintenance upgrades themselves are part of this case.

Recommendation: Post recommends USN IPO and NAVAIR be permitted to resume action on this case.

1D. Lockheed Air Defense Radar for RTAF Royal Thai Air Defense System. Lockheed Martin has a contract signed, awaiting an export license, to supply a 20 million USD air defense system. In its FY06 budget, the RTAF has set aside funds for this purchase. Senior RTAF officials have indicated that if Lockheed Martin cannot make this radar available soon, the RTAF will procure an air defense radar from a non-U.S. vendor.

Recommendation: Post recommends Lockheed Martin's export license be processed.

1E. FMS Case TH-D-T10 funds a Lockheed Martin Contractor for Engineering and Technical Services (CETS) for RTAF F-16s. The current contract for this individual expires on December 31. Without follow on authority, the contractor may be reassigned to another company project. Notably, reliable

maintenance and support is a key selling point in Lockheed Martin's bid to win RTAF support to either procure new F-16s or upgrade its existing fleet instead of purchasing Russian or Swedish aircraft.

Recommendation: Post recommends this case be renewed.

1F. FMS Case TH-D-GKG, A3 funds a Pratt and Whitney CETS who supports RTAF F-16s. This contract is due to expire on November 30. As in the previous case, a major comparative advantage Lockheed Martin has over Sukhoi and Saab in Thailand's fighter aircraft competition is a track record of reliable maintenance and follow up.

Recommendation: Post recommends this case be renewed.

13. (C) Per reftel instructions, Post seeks guidance on how to proceed with a planned high-level visit by a senior Thai military officer to the United States. RTAF CINC, Air Chief Marshal Chalit Pukphasuk, plans to attend a hand-over ceremony at Boeing outside Seattle in December to commemorate the purchase of a 737 aircraft for the Queen of Thailand. Chalit, in addition to being the CINC of the RTAF, is a member of the 8-man Council for National Security (CNS).

Recommendation: Post recommends that we be authorized to tell Chalit that we are reviewing his request to visit Boeing and that Washington will make a final determination on his case in November, when we will be in a better position to assess Thailand's progress in returning to democracy.

14. (C) Senior RTA officials have asked whether they can send Thai officers to U.S. Professional Military Education (PME) courses if the RTG funds all costs.

Recommendation: While we hope that the Thai will assume more costs associated with IMET once we lift 508 sanctions, we do not think permitting the Thai to participate in IMET-like courses is prudent at this time. Post recommends that we not permit the Thai to send students to PME courses even if the Thai provide all funding until we have more time to assess the interim government's actions. We can review this after the early November sub-PCC.

BOYCE